GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1739
ANSWERED ON:10.12.2004
SCHEME TO PROVIDE LOAN TO WEAVERS
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Will the Minister of TEXTILES be pleased to state:

(a) the steps taken by the Government to provide loans to the Indian weavers keeping in view their miserable condition;

(b) the amount of loans provided by the Government, State −Wise during the last three years;

(c) whether the weavers have to face many difficulties while getting loans from the Indian Banks; and

(d) the remedial steps taken by the Government in this regard and the success achieved by the Government as a result thereof ?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) Credit facilities are being provided to the weavers by different banking institutions, both commercial as well as cooperative banks, under various Schemes in accordance with the norms and guidelines stipulated by the Apex Banks, namely, RBI and NABARD. NABARD has been providing Short Term Refinance for production and marketing activities of Primary Weavers Societies and individual members of District Central Cooperative Banks by way of sanction of short term of credit limits to state cooperative banks. Apart from the credit facilities through banking channels, the Government is providing partial financial assistance in the form of grant to the eligible handloom agencies under Deen Dayal Hathkargha Protsahan Yojana (DDHPY) for basic inputs like looms, accessories, training etc. and for design input, publicity, marketing incentive etc. Under DDHPY, the Government is also providing financial assistance in the form of Margin Money to the implementing agencies @ of Rs.4000/- per weaver to avail credit facilities from financial institutions. Out of this amount, the share of Central Government is Rs.2000/-, that of the State Government is Rs.1000/- and the balance Rs.1000/- will be given by the concerned weaver. The margin money so provided shall be used only as seed money to enhance their cash credit limits.

(b) Particulars of Short −Term Credit Limits sanctioned by NABARD to the State Cooperative Banks for financing Weavers' Societies during the Financial Years 2001-02, 2002-03 and 2003-04 are annexed.

(c) Based on various studies, NABARD has reported that the factors affecting the institutional flow of credit to the weavers' sector, interalia, are poor financial health and inefficient management of several weavers' cooperative societies, outdated marketing structure and inability of the weavers' societies to compete with the organized sector. These factors render the credit proposals from several weavers' societies unviable.

(d) The following steps are being taken /contemplated to improve the flow of credit to the weaving sector:-

i) Creation of better awareness of credit facilities amongst primary weavers' cooperative societies and apex societies.
ii) Weavers outside the cooperative fold are being identified for bank finance by organizing them into Self-help Groups.
iii) Reorganization of apex handloom societies and corporations in the States into viable business bodies.
iv) Periodical review of the flow of credit to the weavers' sector under different Schemes by State Level Banking Committee / District Credit Committee.

ANNEXURE REFERRED TO IN THE REPLY TO PART (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 1739 FOR ANSWER ON 10.12.2004 REGARDING SCHEME TO PROVIDE LOAN TO WEAVERS.

(Rs. In Crore)

Sl.No. Name of the State Credit limits Sanctioned

	2001-02	2002-03	2003-04
1. Andhra Pradesh	34.68	16.36	32.54
2. Gujarat	1.00	1.00	1.00
3. Karnataka	4.54	5.25	2.21
4. Kerala	47.81	40.31	28.46
5. Madhya Pradesh	4.42	0.00	0.00
6. Orissa	25.81	16.43	19.79
7 Pondicherry	5.00	5.65	5.50
8. Tamil Nadu	497.18	404.26	376.39
9. West Bengal	60.7	61.68	54.72